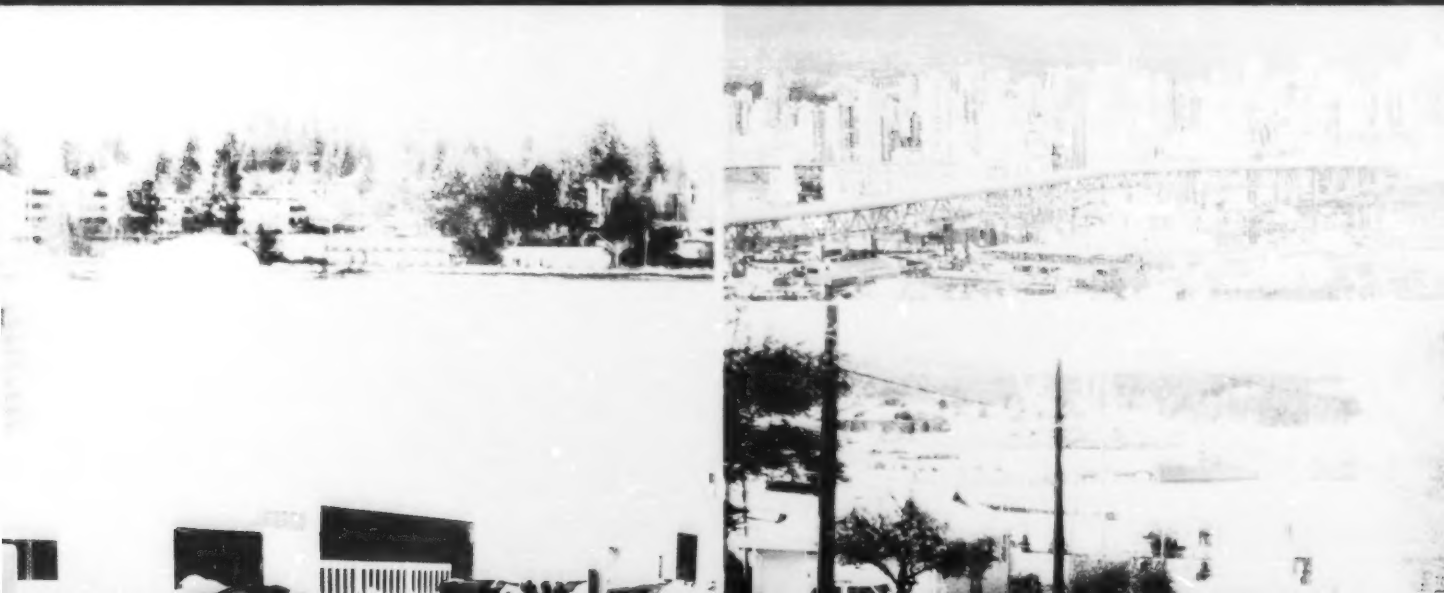
BC Assessment

The Annual Performance Report for the Year 2000
and a Report on the Creation of the 2001 Assessment Roll.
The Financial Statements for Year Ended December 31, 2000.



We will be the leading property assessment organization internationally and the first choice for property information in British Columbia.

We produce uniform property assessments that form the basis for local and provincial taxation while providing information to assist people when making real estate decisions.

We are guided by our commitment to:

- QUALITY in our products, services, and work life;
- ACCOUNTABILITY for our actions and results;
- SERVICE that is responsive and sensitive; and
- TEAMWORK in working together as one team and partnering with our clients.

LEGISLATIVE LIBRARY OF BRITISH COLUMBIA
3 3298 00262 0616
101-06965/

Table of Contents

The **Corporate Profile** provides a sketch of BC Assessment's mission, products, services, and operating segments 5

Board Chair, David Driscoll leads governance activities and highlights BC Assessment's accomplishments in the **Message from the Chair** on behalf of the **Board of Directors** 8

Doug Rundell reports on BC Assessment's operations in the **Message from the Chief Executive Officer and Assessment Commissioner** 10

BC Assessment's **Performance Plan** is the result of a rolling, evergreen five-year strategic corporate planning process 11

The **Annual Performance Report for the Year 2000** and the **Report on the Creation of the 2001 Assessment Roll** are structured according to the goals set out in the 2000-2004 Performance Plan 12

The **Financial Report** includes the Management Discussion and Analysis, the Report of the Auditor General of British Columbia, the Statement of Management Responsibility, and the audited financial statements for the year ended December 31, 2000 26

The **Statement of Corporate Governance Practices** includes Board of Director and Committee mandates, duties, and objectives 43

This report also contains **Supplementary Information**, the Head Office directory, and a map of BC Assessment regions 44

NOTE: *Jurisdictional Values for all municipalities in British Columbia are released in May 2001. Copies of the Jurisdictional Values can be obtained from any BC Assessment Area Office or by contacting Communications Division in Victoria.*

LEGISLATIVE LIBRARY
VICTORIA, B.C. V8V 1X4
AUG 0 8 2001

April 30, 2001

The Honourable Jim Doyle
Minister of Municipal Affairs
Legislative Buildings
Victoria, British Columbia V8V 1X4

Dear Minister:

On behalf of the Board of Directors, ! have the pleasure to submit BC Assessment's Annual Performance Report for the Year 2000 and its Report on the Creation of the 2001 Assessment Roll.

The Financial Statements for the Year Ended December 31, 2000 in accordance with Section 21 of the *Assessment Authority Act* are also included in this report.

David Driscoll
BOARD CHAIR

Corporate Profile

CORPORATE MISSION

We produce uniform property assessments that form the basis for local and provincial taxation while providing information to assist people when making real estate decisions.

Prior to BC Assessment's origin in 1974, each taxing jurisdiction conducted its own assessments and employed its assessors directly. Under this system, assessment and taxation functions were handled by the same public body. Consistency and quality varied greatly throughout the province. The credibility of the property tax system was also undermined by the apparent lack of independence between the two functions.

It was in this context that an all-party Committee of the Legislature recommended that BC Assessment be formed,

> *"This Authority must be independent of the taxing function (either municipal or provincial), and its control must be such as will result in unmistakable and complete independence."*

With the creation of BC Assessment, the two critical elements of the current system in British Columbia were born: uniformity and independence.

As a provincial Crown Corporation, BC Assessment is independent of taxing jurisdictions. As per the *Assessment Act* and *Assessment Authority Act*, BC Assessment does not determine property taxation levels; it determines property values. Assessed value for the majority of properties is derived from market value as of July 1 preceding roll publication. For other property types, e.g., utilities and farmland, appraisers use prescribed formulas, which might be different from market value. Municipalities and other taxing jurisdictions levy a tax rate against the assessed values.

Each year, BC Assessment produces Assessment Rolls for 1,578 taxing jurisdictions. It also provides Assessment Notices for the more than 1.6 million property owners in British Columbia.

Taxing bodies raise approximately $4 billion in property revenue based on the Assessment Roll. These property taxes fund many essential local services: $2.3 billion for fire and police protection, libraries, water, sewers and roads; $1.3 billion for education services; and $0.1 billion for a specified area or purpose, such as hospital construction, regional district services and minor taxing jurisdictions. The Municipal Finance Authority, BC Transit and Utilities are also funded with these monies. BC Assessment is funded directly through a levy paid by property owners. For example, in 2000 for a house valued at $200,000, a taxpayer would pay $25 annually to BC Assessment.

From its modest beginnings in 1974, to its standing in the 21st century as an international model for property assessment, BC Assessment has been based on principles of equity, uniformity, and fairness.

Integral to the legacy of uniformity and independence, BC Assessment is committed to sustainability in business practice, making a social contribution, and preserving the natural environment.

OTHER PRODUCTS AND SERVICES

While BC Assessment's primary products are the Assessment Notices and Assessment Rolls, data is also used to provide the following products and services:

- Municipalities supplement their own databases with Assessment data for plebiscite and utilities mailings;
- At a local level, BC Assessment property data is integral to information systems that support Geographic Information Systems, planning, engineering, and 911 response; and
- BC Assessment produces custom reports for local government upon request.

BC Assessment generated $3,175,000 in revenue in 2000 from the sale of property information products and services. Key commercial clients included the following:

- Banks, credit unions, title search agencies, law offices, retailers, and consultants who use BC Assessment online property data in their daily business dealings;
- Provincial Ministries and Crown Corporations who use BC Assessment property data in bulk and online to manage their own properties and generate internal reports; and
- Corporate clients and Real Estate Boards who receive assessment data in bulk and are permitted to distribute and resell it under the terms of a licensing agreement.

Property information can be obtained at **www.bcassessment.bc.ca** or through *BC Online* at **www.bconline.bc.ca**.

OPERATING SEGMENTS

In 2000, BC Assessment employed 689 permanent staff in 25 offices throughout British Columbia.

BC Assessment is structured as follows:

- THREE ASSESSMENT DIVISIONS

Valuation Support & Region One (Vancouver Island & Northern BC)

- Capital
- Nanaimo/Cowichan
- Port Alberni
- Courtenay
- Northwest
- Prince George
- Peace River

Valuation Policy & Region Two (Lower Mainland)

- North Shore/Squamish Valley
- Vancouver
- Burnaby/New Westminster
- Richmond/Delta
- Tri Cities/North East Fraser Valley
- Surrey/White Rock
- Langley/Abbotsford
- Chilliwack

Standards & Region Three (Central Southern Interior)

- Penticton
- Kelowna
- Vernon
- Nelson/Trail
- East Kootenay
- Kamloops
- Cariboo

- CORPORATE SERVICES
  - Financial Services
  - Human Resources
  - Information Services
- COMMUNITY RELATIONS AND MARKETING
  - Communications
  - Marketing
  - Community Relations

Message from the Chair

BC Assessment is a Crown Agency that values property for the people of British Columbia. Our wordmark is ... **We value BC!** ... and we are proud to serve the communities and people of our province.

I can report that this Crown Agency is in good order. The evidence is shown in our accomplishments, the quality of our core products, commitment to community, and in our excellent working relationship with the Ministry of Municipal Affairs. Public and government expectations are high, and so is our ability to manage and lead change in order to meet these expectations.

BC Assessment's mandate is to produce fair, equitable, and uniform property assessments. This provides an equitable basis upon which local governments and other authorities which use the roll raise approximately $4 billion dollars to support a multitude of public services.

As the world leader in valuation, our professionals constantly raise the bar on internal standards for accuracy, efficiency, and accountability in producing the assessment roll. This report contains information on the quality of the 2001 Authenticated Roll against a series of performance measures.

BC Assessment has proactively developed partnerships to provide a better and more cost-effective service. A long-standing partnership with the Real Estate Industry serves the people of British Columbia in their most important financial decision, the purchase of their homes. Our vision is to be the first choice for property information in British Columbia.
In addition, BC Assessment is committed to developing partnerships with local governments to integrate products and services. BC Assessment also provides custom reports to Municipalities to create better service to the public.

In 2000, we embarked on a number of activities to adapt technology to better meet customer needs and to improve our products. This process has included enhancing our information systems capacity to capture all new construction and expanding our Assessment Geographic Information System (AGIS) to encompass more properties.

We worked through an Operational Review process to identify opportunities for efficiency and streamlining of tasks. Continuous Improvement Measures have been set by all project teams within BC Assessment and will guide us in monitoring and reporting on our progress from year to year. This will allow us to benchmark our functions and adopt best practices in our operations.

Progressive human resources planning helped us to balance all our commitments to staff and the public. The first stage of a Pay Equity review process was completed and we expect that recommendations based on the staff questionnaire will be implemented in 2001. Our commitment to diversity in the workplace was reflected in active recruitment of youth, students, First Nations, people with disabilities, and various ethno-cultural groups. Each year, BC Assessment will develop and implement initiatives to support the provincial government's multiculturalism goals and objectives.

In 2000, we made stronger links between personal development and corporate viability by integrating multi-year corporate training, education, outreach, recruitment, and succession and career planning.

The importance of community is also reflected in our commitment to Corporate Social Responsibility. We balance commercial success with respect for people, communities and the natural environment. To advance this commitment, we will continue our initiatives and formalize them in a Corporate Social Responsibility management structure. We are guided by our commitment to our corporate values to quality, accountability, service, and teamwork.

I would like to express my appreciation to my colleagues on the Board of Directors and especially to recognize the contribution made by Darshun Gill who retired this year. Welcome to Eric Charman and Manga Basi, newly appointed to the Board in 2001.

The Board extends its thanks to all staff who helped in setting performance measures and ensuring that we exceeded our goals for products and services. Your contribution is invaluable to the long-term success of this public Crown. By all measures, this was an excellent year. I offer our thanks and congratulations for a job well done.

Performance in valuing property is the foundation of BC Assessment's reputation. Equity, uniformity, and fairness are the basis of our product and the way we do business.

David Driscoll
BOARD CHAIR, ON BEHALF OF BOARD MEMBERS

BOARD MEMBERS (LEFT TO RIGHT)

Terri Barge – Smithers, John Cheetham – Vancouver, Ken McRae – Port Alberni, David Driscoll, CHAIR – Port Moody
Mike Thompson – Port Coquitlam, Rose Calderon – Trail, Linda Rowan – Kamloops
Joan Stephens, VICE-CHAIR – Campbell River, Joy Lin Salzberg – Vancouver, Deanna Hamilton – Westbank
Manga Basi – Delta (Not pictured), Eric Charman – Victoria (Not pictured)

Message from the Chief Executive Officer

Once again, we set out with an ambitious agenda and made headway on a number of fronts in 2000.

The quality of the Assessment Roll, our main product, improved again in 2001. Complaints to the Property Assessment Review Panel, and other measures of public approval indicate widespread satisfaction with the assessment system in British Columbia. This year, residential property owner complaints were less than one per cent of all properties in British Columbia.

To further reduce appeals, we expanded pre-roll production consultation to all utilities sectors and laid plans to consult further with other Crowns, Ministries, and Government Agencies. We also continued to work closely with the Ministry of Municipal Affairs and the Property Assessment Appeal Board to simplify the appeal process.

Translating the strategic goals, Operational Review, and Continuous Improvement Measures into concrete tasks was a major undertaking. The first phase of this process is now complete. It has required the leadership, effort, and patience of all staff to make these changes part of the way we work. These initiatives will continue to be a major focus in 2001.

In 2000, we expanded our commercial product line and strengthened existing partnerships. We shared our expertise and experience with local government, provincial and national associations, First Nations, and educational institutions. We participated in the Commonwealth Heads of Valuation Agencies' annual conference in Vancouver, which involved representatives from 30 countries.

We also met our goals to reduce computer costs, improve field appraiser access to geographical property data, and posted area news releases on our website. Knowledge Skills and Abilities (KSAs) and succession plans were developed for key work groups as we prepared the way for BC Assessment's future workplace. A Collective Bargaining process between CUPE and the Crown began in 2000. We hope to find a common ground on issues raised by staff to satisfy all parties.

Staff also contributed donations and volunteer time to a variety of non-profit organizations, including corporate-wide involvement with the United Way Campaign, First Nations and ethno-cultural groups, and a number of charities. I appreciate that staff work hard, not only to fulfil the commitment to quality products but also to enhance the quality of their work life and to support community service. Thanks to all staff, management, and board members who have taken the initiative in adding value to BC Assessment's products and working environment, and to the larger community.

I would also like to thank all our customers and local governments for shared learning opportunities in 2000. We value these relationships and hope to form additional partnerships in 2001 to better serve the people of this province.

We value BC!

Thank you,

Doug Rundell
CHIEF EXECUTIVE OFFICER AND
ASSESSMENT COMMISSIONER

Performance Planning Process

BC Assessment's performance planning process has both long-term and short-term elements.

Long-term direction is expressed in the Performance Plan. The Performance Plan is the result of a rolling, "evergreen," five-year strategic corporate planning process involving review and analysis by the Board of Directors, senior management, and staff. The document consists of trends and issues affecting the organization that serve as the basis for annual corporate planning.

The short-term element of the strategic planning process is expressed in the Annual Plan. It contains specific actions and desired results that will assist the organization in fulfilling its goals for the year.

Both documents are revised annually to reflect changes in stakeholder needs, organizational capacity, and emerging priorities.

The following is the 2000 Report on BC Assessment's 2000-2004 Performance Plan. Six corporate goals guided BC Assessment's activities in 2000:

PRODUCT QUALITY: To improve uniformity and assessment products while advancing assessment products;

CUSTOMER SERVICE: To provide a level of service that exceeds our customers' expectations;

FISCAL RESPONSIBILITY: To reduce the average cost of assessment per folio;

HUMAN RESOURCES LEADERSHIP: To foster a climate that encourages personal growth, continuing corporate success, workforce diversity and commitment to our shared vision;

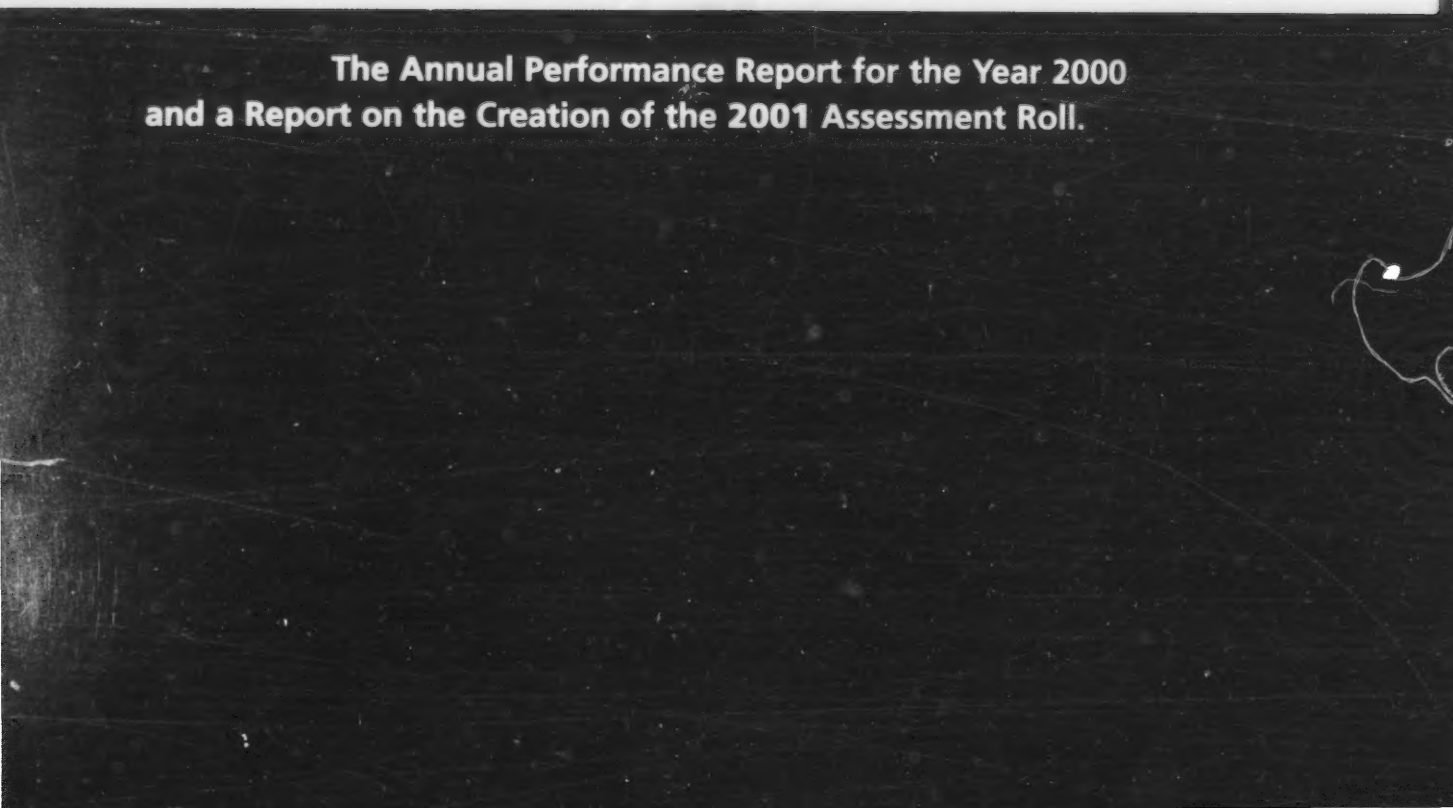
PARTNERSHIP OPPORTUNITIES: To develop strategic alliances that use our unique information, skills, systems, and data for the benefit of the communities we serve, while enhancing our core function; and

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY: To help strengthen the communities we serve and to protect the natural environment of British Columbia.

Within each goal, BC Assessment has established targets from 2000 through to the year 2004. Within this time frame, BC Assessment will consider what is working, what is not, and where limited resources can be used in the most relevant and effective manner. This requires a focus on results. Targets are therefore established to track progress and indicate how objectives are met on an annual basis.

BC Assessment

The Annual Performance Report for the Year 2000 and a Report on the Creation of the 2001 Assessment Roll.



Product Quality: To improve uniformity and assessment products while advancing assessment practices.

By a number of international and internal measures, Assessment Roll quality in 2001 surpassed that of previous years. The tables in this section show comparisons of BC Assessment's product against international quality standards.

Through continuous process review and improvement, BC Assessment develops more precise and effective valuation standards, products, and appeal processes.

Valuation process review in 2000 focused on specialization and coordination of hotels, unique residential, industrial, retail/commercial, and sports/recreation property types.

The Assessment Geographic Information System (AGIS) was improved in 2000 so that BC Assessment's appraisers would have the best geographical and property data at their fingertips. All new construction is now reflected in the Assessment Roll. BC Assessment also took additional steps to make appeal, public information, and assessment practices more simple and accessible.

In addition to meeting current quality measures, in upcoming years BC Assessment will benchmark its operational and assessment processes, costs, and quality against other public and private organizations.

- **ASSESSMENT ROLL QUALITY** – The 2001 Assessment Roll Quality Report is a detailed statistical analysis demonstrating the accuracy and uniformity of the Assessment Roll.

Roll Quality – 2001 Authenticated Roll

SINGLE FAMILY RESIDENTIAL PROPERTY

JURISDICTION-TYPE	SALES (APR SEPT)	MEDIAN ASR[1]	COD[2]	PRD[3]
All Jurisdictions	22,806	96.5%	5.4%	1.010
City	12,573	96.6%	4.9%	1.008
District	6,759	96.5%	5.2%	1.011
Town	751	96.8%	5.3%	1.007
Village	345	96.0%	8.7%	1.023
Rural	2,378	96.2%	8.2%	1.025
CATEGORY	**SALES (APR SEPT)**	**MEDIAN ASR**	**COD**	**PRD**
Low End Housing	7,706	96.7%	6.1%	1.010
Mid Range Housing	14,338	96.4%	5.0%	1.007
High End Housing	794	95.6%	5.9%	1.015

1. The Assessment-to-Sales Ratio (ASR) is calculated by dividing the assessed value (as determined by BC Assessment) of a property that has sold by its actual selling price, then expressing the result as a percentage. A property with an assessed value of $243,000 that sold for $250,000, for example, would have an ASR of 97.2 per cent.

   The International Association of Assessing Officers (IAAO) has set the median ASR standard between 90 and 110 per cent. BC Assessment has set a target of 97 per cent for the median ASR.

2. The Coefficient of Dispersion (COD) measures how closely a group of numbers is clustered around its median, or middle number. The lower the COD, the better the product.

   The COD standard set by the IAAO is under 15 per cent for homogeneous regions under 20 per cent for heterogeneous regions. BC Assessment has set targets of under 10 per cent and under 15 per cent respectively.

3. The Price-Related Differential (PRD) measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-assessed relative to low-value properties. Assessments are progressive if high-value properties are over-assessed. Progressivity or regressivity result in an inequitable distribution of the tax burden.

   Quality Assessment Rolls should show no sign of regressivity or progressivity. In other words, high-value and low-value properties should be assessed uniformly.

   The IAAO standard for the PRD is between 0.98 and 1.03. A PRD under 0.98 indicates progressivity; over 1.03 indicates regressivity.

- **ROLL PROFILE – 2000/2001 VALUE COMPARISON** – Net taxable values for general purposes for all property in British Columbia increased by 1.93 per cent from 2000 to 2001.

Actual and Net General Taxable Values — Comparison 2000*/2001

1 - Residential	285,112	289,533	4,421	1.55	271,495	275,797	4,302	1.58
2 - Utility	15,525	16,372	847	5.46	3,869	4,125	256	6.62
3 - Unmanaged Forest	51	54	3	5.88	46	50	4	8.70
4 - Major Industry	5,534	5,578	44	0.80	4,606	4,641	35	0.76
5 - Light Industry	3,919	4,479	560	14.29	3,561	4,107	546	15.33
6 - Business/ Other	78,857	80,841	1,984	2.52	47,186	48,408	1,222	2.59
7 - Managed Forest	945	1,016	71	7.51	945	1,016	71	7.51
8 - Recreational/ Non-Profit	10,857	11,175	318	2.93	983	1,003	20	2.03
9 - Farm	1,315	1,308	-7	-0.53	1,291	1,292	1	0.08
TOTAL	**402,115**	**410,356**	**8,241**	**2.05**	**333,982**	**340,439**	**6,457**	**1.93**

*Includes supplementary and Property Assessment Appeal Board changes up to March 21, 2001.

- **PROPERTY CLASS DISTRIBUTION – 2001 Authenticated Roll** – In British Columbia, 87.43 per cent of all properties are classified residential. In 2001, less than one per cent of residential property owners requested a review of their property assessments.

Property Class Distribution — 2001 Authenticated Roll

PROPERTY CLASS	OCCURRENCES	PERCENTAGE
1 - Residential	1,513,878	87.43
2 - Utility	14,337	0.83
3 - Unmanaged Forest	689	0.04
4 - Major Industry	6,428	0.37
5 - Light Industry	16,396	0.95
6 - Business/Other	103,888	6.00
7 - Managed Forest	4,061	0.23
8 - Recreational/Non-Profit	14,083	0.81
9 - Farm	57,814	3.34
TOTAL	**1,731,574**	**100.00**

- **ROLL PROFILE – 2000/2001 VALUE COMPARISON** – Net taxable values for general purposes for all property in British Columbia increased by 1.93 per cent from 2000 to 2001.

Actual and Net General Taxable Values — Comparison 2000*/2001

PROPERTY CLASS	2000 ACTUAL VALUE ($ MILLIONS)	2001 ACTUAL VALUE ($ MILLIONS)	CHANGE ($ MILLIONS)	CHANGE PER CENT	2000 NET GENERAL ($ MILLIONS)	2001 NET GENERAL ($ MILLIONS)	CHANGE ($ MILLIONS)	CHANGE PER CENT
1 Residential	285,112	289,533	4,421	1.55	271,495	275,797	4,302	1.58
2 Utility	15,525	16,372	847	5.46	3,869	4,125	256	6.62
3 Unmanaged Forest	51	54	3	5.88	46	50	4	8.70
4 Major Industry	5,534	5,578	44	0.80	4,606	4,641	35	0.76
5 Light Industry	3,919	4,479	560	14.29	3,561	4,107	546	15.33
6 Business Other	78,857	80,841	1,984	2.52	47,186	48,408	1,222	2.59
7 Managed Forest	945	1,016	71	7.51	945	1,016	71	7.51
8 Recreational Non-Profit	10,857	11,175	318	2.93	983	1,003	20	2.03
9 Farm	1,315	1,308	-7	-0.53	1,291	1,292	1	0.08
TOTAL	**402,115**	**410,356**	**8,241**	**2.05**	**333,982**	**340,439**	**6,457**	**1.93**

- **PROPERTY CLASS DISTRIBUTION – 2001 Authenticated Roll** – In British Columbia, 87.43 per cent of all properties are classified residential. In 2001, less than one per cent of residential property owners requested a review of their property assessments.

Property Class Distribution — 2001 Authenticated Roll

PROPERTY CLASS	OCCURRENCES	PERCENTAGE
1 - Residential	1,513,878	87.43
2 - Utility	14,337	0.83
3 - Unmanaged Forest	689	0.04
4 - Major Industry	6,428	0.37
5 - Light Industry	16,396	0.95
6 - Business/Other	103,888	6.00
7 - Managed Forest	4,061	0.23
8 - Recreational/Non-Profit	14,083	0.81
9 - Farm	57,814	3.34
TOTAL	**1,731,574**	**100.00**

- **NEW CONSTRUCTION AND DEVELOPMENT** – Total taxable value in new construction and development in 2001 was $5.3 billion. This figure indicates an eight per cent decrease from the 2000 figure of $5.8 billion.

New Construction and Development*

PROPERTY CLASS	REGION 1 VANCOUVER ISLAND & NORTHERN BC	REGION 2 LOWER MAINLAND	REGION 3 CARIBOO OKANAGAN & KOOTENAYS	2001 ROLL TOTAL	2000 ROLL TOTAL
1 - Residential	$675,294,354	$2,333,565,906	$834,335,459	$3,843,195,719	$4,173,694,898
2 - Utilities	$64,950,156	$-549,935	$84,040,800	$148,441,021	$103,961,095
3 - Unmanaged Forest	$253,350	$2,644,100	$364,550	$3,262,000	$5,340,300
4 - Major Industry	$60,728,300	$12,686,900	$15,278,800	$88,694,000	$40,734,967
5 - Light Industry	$30,530,583	$417,328,200	$14,329,900	$462,188,683	$352,335,699
6 - Business/ Other	$140,858,933	$463,321,830	$157,997,055	$762,177,818	$1,602,827,692
7 - Managed Forest	$35,588,823	$1,080,800	$-2,993,300	$33,676,323	$67,380,106
8 - Recreational/ Non-Profit	$50,450	$2,962,870	$-5,968,006	$-2,954,686	$6,725,450
9 - Farm	$-2,193,466	$823,550	$-9,677	$-3,026,693	$-6,550,346
Total	**$1,006,061,483**	**$3,232,217,121**	**$1,097,375,581**	**$5,335,654,185**	**$5,792,998,961**

- **NEW CONSTRUCTION AND DEVELOPMENT** – Total taxable value in new construction and development in 2001 was $5.3 billion. This figure indicates an eight per cent decrease from the 2000 figure of $5.8 billion.

New Construction and Development*

PROPERTY CLASS	REGION 1 VANCOUVER ISLAND & NORTHERN BC	REGION 2 LOWER MAINLAND	REGION 3 CARIBOO OKANAGAN & KOOTENAY	2001 ROLL TOTAL	2000 ROLL TOTAL
1 - Residential	$675,294,354	$2,333,565,906	$834,335,459	$3,843,195,719	$4,173,694,898
2 - Utilities	$64,950,156	$-549,935	$84,040,800	$148,441,021	$103,961,095
3 - Unmanaged Forest	$253,350	$2,644,100	$364,550	$3,262,000	$5,340,300
4 - Major Industry	$60,728,300	$12,686,900	$15,278,800	$88,694,000	$40,734,967
5 - Light Industry	$30,530,583	$417,328,200	$14,329,900	$462,188,683	$352,335,699
6 - Business/ Other	$140,858,933	$463,321,830	$157,997,055	$762,177,818	$1,602,827,692
7 - Managed Forest	$35,588,823	$1,080,800	$-2,993,300	$33,676,323	$67,380,106
8 - Recreational/ Non-Profit	$50,450	$2,962,870	$-5,968,006	$-2,954,686	$6,725,450
9 - Farm	$-2,193,466	$-823,550	$-9,677	$-3,026,693	$-6,550,346
Total	**$1,006,061,483**	**$3,232,217,121**	**$1,097,375,581**	**$5,335,654,185**	**$5,792,998,961**

*– Data as of 2001 Completed Roll, December 31, 2000.

Customer Service: To provide a level of service that exceeds our customers' expectations.

Customer service is part of everyday practice. It takes place in a myriad of ways:

- valuation of properties;
- delivery of assessment notices;
- online, telephone, and in-person service;
- needs surveys; and
- community liaison and volunteer work.

In 2000, BC Assessment continued on its path to strengthen customer relationships by tailoring area office customer service plans to meet the needs of each BC region.

In 2001, more than 1.6 million property owners received an Assessment Notice and Assessment Notice Insert. The Insert provides details on frequently asked questions and the assessment complaint process.

To reflect British Columbia's cultural diversity, Inserts are translated into 11 high-demand languages available through area offices and BC Assessment's public web site at **www.bcassessment.bc.ca**. Assessments by Address are also available in most libraries, municipal halls, and government agencies.

Also, Area News Releases were posted to the public website. These provide year-to-year values on typical houses and a general explanation of how the market value of different property types was determined. BC Assessment will continue to improve public access to electronic property information through the website.

In 2000, BC Assessment fulfilled its commitment to expand opportunities for customer input through pre-roll consultation and surveys. The corporation consulted with utilities sectors and made plans for further meetings with Crowns, Ministries, and Government Agencies in 2001. A First Nations Needs Survey generated input and ideas for future service development. Requests for custom reports for local government increased to 81 in 2000.

In a similar vein, BC Assessment laid plans to implement suggestions from the 1999 Local Government Needs Survey and acted on recommendations from the 1999 Non-residential Needs Survey. In 2001, BC Assessment will take further steps to improve local government understanding of BC Assessment's functions, products, and services. The corporation will also strengthen and expand relations with First Nations.

- **SUMMARY OF COMPLAINTS** – The most important measure of public acceptance of the Assessment Roll is the number of complaints to the Property Assessment Review Panel (PARP). There had been a steady decline in complaints between 1993 and 2000. Appeals were up slightly in 2001.

COMPLAINTS TO THE PROPERTY ASSESSMENT REVIEW PANEL

Total Public Complaints

	# OF COMPLAINTS	TOTAL PROPERTIES	% COMPLAINED
1993	49,085	1,396,775	3.5
1994	40,209	1,431,348	2.8
1995	33,386	1,480,233	2.3
1996	32,030	1,515,030	2.1
1997	25,498	1,539,014	1.7
1998	28,497	1,567,771	1.8
1999	27,322	1,602,149	1.7
2000	17,565	1,623,284	1.1
2001	22,941	1,639,111	1.4

Residential Property Complaints

	# OF COMPLAINTS	TOTAL PROPERTIES	% COMPLAINED
1993	32,287	1,291,054	2.5
1994	25,619	1,326,215	1.9
1995	21,437	1,371,558	1.6
1996	20,123	1,403,601	1.4
1997	14,495	1,425,469	1.0
1998	16,793	1,451,267	1.2
1999	16,715	1,482,434	1.1
2000	10,469	1,502,005	0.7
2001	12,961	1,513,878	0.9

Business/Other Property Complaints

	# OF COMPLAINTS	TOTAL PROPERTIES	% COMPLAINED
1993	6,440	81,786	7.8
1994	4,877	83,661	5 8
1995	5,909	87,432	6.8
1996	5,589	90,627	6.2
1997	5,368	93,619	5.7
1998	5,631	96,801	5.8
1999	5,579	100,132	5.6
2000	4,066	101,381	4.0
2001	6,828	103,888	6.6

- **APPEAL STATISTICS 1993 - 2001** – At the end of December 2000, BC Assessment produced the 2001 Completed Assessment Roll. The deadline for requesting a review was January 31, 2000. During the six-week period from February 1 to March 15, 2000, the PARP heard 22,941public complaints.

  The Authenticated Roll is produced after March 15 and includes the value changes made by the PARP. Appeals from the PARP are heard by the Property Assessment Appeal Board (PAAB). The statistics below show summary results of the appeals.

Appeal Statistics 1993 - 2001

ROLL YEAR	TOTAL ACTUAL VALUE COMPLETED ROLL ($ MILLIONS)	TOTAL ACTUAL VALUE AUTHENTICATED ROLL ($ MILLIONS)	PERCENT CHANGE AFTER PARP PER CENT	TOTAL NET GENERAL VALUE COMPLETED ROLL ($ MILLIONS)	TOTAL NET GENERAL VALUE AUTHENTICATED ROLL ($ MILLIONS)	PERCENT CHANGE AFTER PARP PER CENT	APPEALS TO PAAB
1993	306,423	304,969	-0.47	257,860	256,121	-0.67	1,701
1994	343,810	343,194	-0.18	290,818	290,110	-0.24	1,976
1995	373,674	373,550	-0.03	313,670	312,981	-0.22	1,286
1996	384,687	384,283	-0.11	322,034	321,440	-0.18	1,238
1997	395,869	395,219	-0.16	329,297	328,692	-0.18	1,072
1998	407,735	406,899	-0.21	340,068	339,209	-0.25	1,555
1999	403,673	402,996	-0.17	335,203	334,459	-0.22	971
2000	403,223	402,397	-0.20	334,851	334,023	-0.25	820
2001	410,811	410,357	-0.11	341,109	340,439	-0.20	*

*– Figure not available at the time of publication.

- **PERCENTAGE CHANGE TO GENERAL ASSESSED VALUES** – The following table shows the percentage change to assessed values on the 2001 Assessment Roll due to changes through the 2001 PARP. For all jurisdictions, the amount of change was $670.4 million out of a total of $341,109 million (a change of -0.20 per cent).

Percentage Change to General Assessed Values Based on PARP Decisions

2001 JURISDICTION TYPE	PERCENTAGE CHANGE
All Jurisdictions	-0.20%
City	-0.17%
District	-0.20%
Town	-0.25%
Village	-0.08%
Rural	-0.35%

- **ASSESSMENT SERVICES TO FIRST NATIONS** – BC Assessment provided assessment services on a contract basis for 48 First Nations and produced an Assessment Guide for First Nations interested in becoming independent tax authorities.

Fiscal Responsibility: To reduce the average cost of assessment per folio

BC Assessment's operations are financed mainly by a province-wide levy on individual properties. BC Assessment receives no funding from the provincial government.

In 2001, tax levy rates were set so that the average taxpayer in each property class will not experience an increase from 2000.

Key to BC Assessment's strategy for fiscal responsibility in 2000 was the commitment to retain current staff levels and absorb new property growth over the next five years. This decision also called for advanced planning to ensure that staff workloads remain manageable and wellness intact.

An Operational Review was also launched to identify organization-wide practices – both large and small – to improve efficiency and save costs.

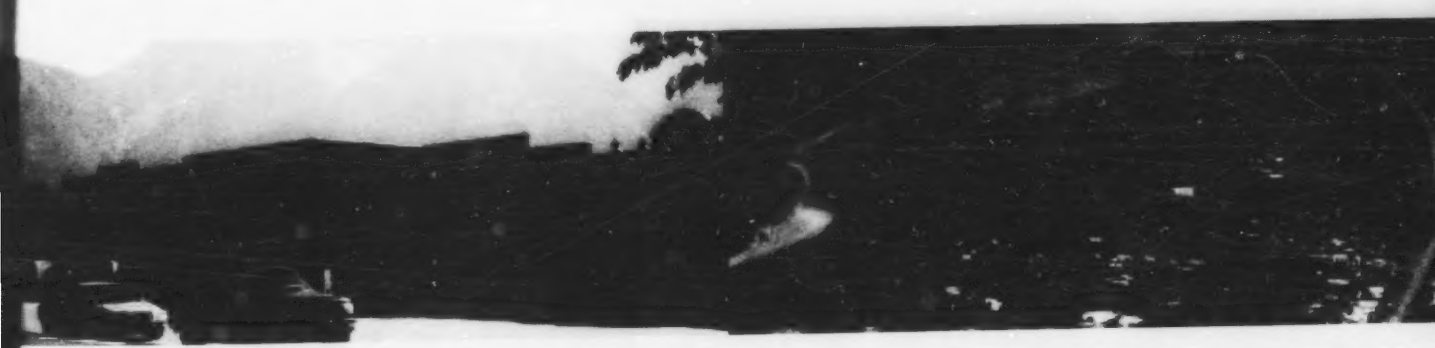
As the first year in a five-year strategy to reduce computer processing costs, BC Assessment reduced computer costs in 2000 by $400,000 from 1999 levels.

Another aspect of the commitment to fiscal accountability is the reduction of Legal Services costs incurred largely through appeals. Better informed collaborative processes - pre-roll consultation, Needs Surveys, group meetings, and shared resources - also help to prevent the need for appeals and reduce expenses.

Other ongoing initiatives to reduce fiscal and environmental costs include:

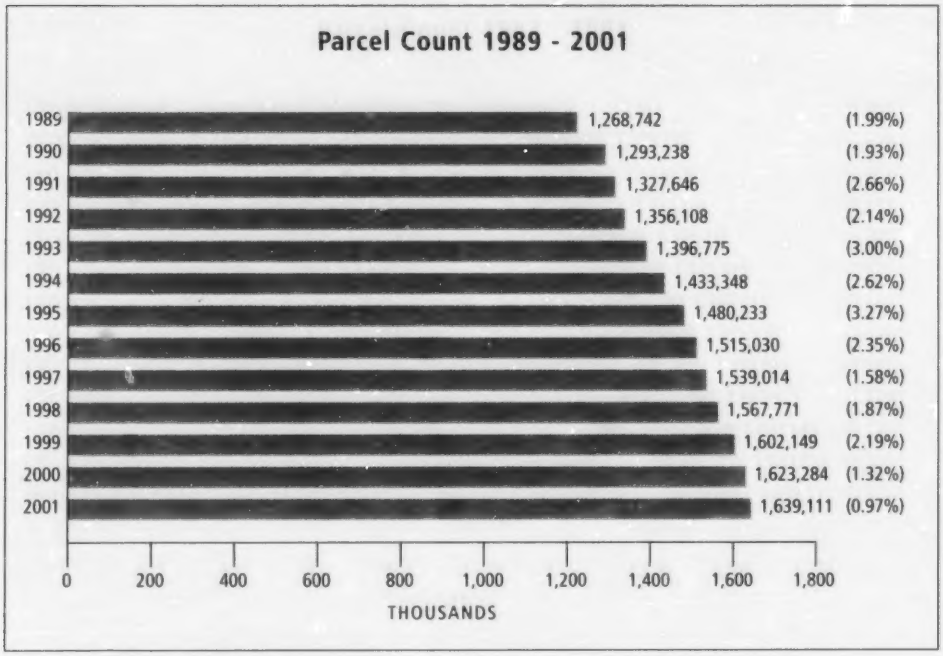
- flexible, cost-effective, accessible computer systems for office and field staff;
- tracking of vehicle and paper use;
- reduction, reuse, and recycling of materials, equipment, and furniture;
- reduction of office space and energy use; and
- resource sharing with government, industry, and local agencies.

Targets in upcoming years include implementing efficiencies identified in the Operational Review, further reducing computer processing costs, increasing revenues from marketed products, reducing accommodation and legal expenses, and creating more effective and adaptable information systems.



- **PARCEL COUNT** – In 2001, BC Assessment issued assessment notices for 1,639,111 properties in British Columbia - 15,827 more than in 2000. This parcel increase of 0.97 per cent is the smallest increase in over ten years.

  Over the previous ten years, the number of parcels (properties) has increased an average of 2.15 per cent in the province. This equates to adding a community the size of Kelowna or Coquitlam to the assessment base annually.



Human Resource Leadership: To foster a climate that encourages personal growth, continuing corporate success, workforce diversity and commitment to our shared vision.

Personal growth, corporate success, workforce diversity, and commitment to a shared vision go hand in hand with empowerment, innovation, and wellness. Corporate sustainability depends upon the knowledge, skills, and abilities that each employee possesses.

Area and head office succession plans were designed to meet the needs of key work groups and links were made between long-term planning and current outreach, multiculturalism, training, and education plans.

Because BC Assessment's future workforce will come from community colleges and universities, liaison with educational institutions around curriculum is a high priority. In 2000, BC Assessment developed a Leadership in Diversity program in cooperation with Royal Roads University. An academic program has also been designed with The University of British Columbia for BC Assessment and other professional appraisers, which will begin in September 2001.

BC Assessment also fine-tuned its recruitment and selection processes and expanded its outreach activities to educational institutions, First Nations, ethno-cultural, and disability groups. BC Assessment staff attended 28 outreach events and 22 career fairs. BC Assessment also provided 64 student/youth placements in 2000.

Another corporate goal is to work to assist employees in obtaining professional designation. A new agreement - the Real Estate Institute of BC (REIBC) and BC Association of Appraisal Institute of Canada (BCAAIC) Affiliation Agreement – will advance accreditation within the appraisal field.

In 2000, BC Assessment completed the first phase of a Pay Equity review process. The Committee responsible has made recommendations and staff will be surveyed early in 2001.

Ergonomic assessments were conducted for all workstations and ergonomic devices for handheld computers were purchased in 2000.

Ongoing strategies to improve BC Assessment's workplace include identifying key competencies, developing succession plans for key positions, and implementing a multi-year training program. Suggestions from a Balancing Work, Family and Lifestyle survey, which was completed by a majority of staff, will be used to create a more flexible and supportive workplace in 2001.

Partnership Opportunities: To develop strategic alliances that use our unique information, skills, systems, and data for the benefit of the communities we serve, while enhancing our core function.

BC Assessment's partnerships are based on the principle of mutual benefit.

In addition to providing information for property owners and taxing bodies, BC Assessment makes presentations to community groups, schools, and associations. Representatives are often asked to share their knowledge with other jurisdictions throughout Canada, Commonwealth nations, and the world valuation community.

In 2000, BC Assessment received a Multiculturalism Award for its Language Skills Bank volunteers. BC Assessment was also recognized with a Municipal Officers' Association (MOA) of BC Distinguished Partner Award for its lead role in CivicInfo BC, a local government information exchange website.

In 2000, BC Assessment formed closer ties with the Ministry of Municipal Affairs, the Local Government Institute, University of Victoria, Royal Roads University, Municipal Finance Authority, Municipal Insurance Association of BC, Union of BC Municipalities, Local Government Management Association (formerly MOA), First Nations, and industry and ethnic associations.

Social and Environmental Responsibility:

To help strengthen the communities we serve and to protect the natural environment of British Columbia.

Recycling, health and wellness, multiculturalism, community involvement, youth employment and outreach, and staff training and development are programs that are all firmly entrenched within BC Assessment. These and other activities have been inspired by those at board, executive, management and staff levels and represent both individual and collective effort.

In 2000, BC Assessment took further steps, not only to improve its social and environmental performance, but also to give it a name – Corporate Social Responsibility (CSR).

Corporate-level CSR initiatives were:

- to refocus BC Assessment's policy framework toward CSR;
- to develop a CSR Business Plan; and
- to start a hiring process for an Executive Director of Community Relations and Marketing.

As part of the initial phase of reporting on social and environmental performance, BC Assessment carried out an internal inventory of current practices in these areas. The Marketing division also produced a Business Plan that will be expanded to outline commercial and community development activities for 2001 and beyond.

On this journey to broadening corporate understanding and commitment to socially responsible practice, current and future partnerships, consultation and surveys, customer relations, and community involvement will lead the corporation to be sensitive, responsive, and responsible in its actions.

The next phase of social responsibility will be to conduct a social audit of BC Assessment's community and environmental practices.

BC Assessment

Financial Report and Audited Financial Statements of British Columbia Assessment Authority Year Ended December 31, 2000

Management Discussion and Analysis

BC Assessment's mandate is to produce annual market value assessment rolls and notices for all 1.6 million properties in British Columbia. These provide the fair and equitable base from which local governments and the provincial government raise approximately $4.0 billion in property taxes to finance a wide range of public services. It is independent of taxing jurisdictions, both municipal and provincial. To fulfil its mandate, BC Assessment operates 25 offices and has approximately 689 employees throughout the province.

BC Assessment is funded through tax levies. Each year, BC Assessment imposes and levies a tax upon all taxable property in the province (except on property of BC Hydro). Since 1994, except for 1997, when it first assumed responsibility for the costs of the Appeal Courts, BC Assessment has set rates such that the cost to the average taxpayer in each class (excluding new construction) has remained unchanged from the previous year.

BC Assessment does not receive any grants from the government, while funding the costs of the appeal process through the Ministry of Municipal Affairs. Under subsection 17(2) of the *Assessment Authority Act*, BC Assessment's annual tax levies are to be at rates sufficient to maintain the operating fund. The operating fund is the total amount required to meet the annual operating and capital expenses of BC Assessment and the cost of complaints and appeals to the Property Assessment Review Panels (PARP) and the Property Assessment Appeal Board (PAAB).

Under subsection 20(5) of the *Assessment Authority Act*, BC Assessment may, "until receipt of the proceeds of the taxes...borrow an amount not exceeding the proceeds of the taxes... and the loan must be repaid from the proceeds of the taxes." The Ministry of Finance and Corporate Relations acts as the fiscal agent of BC Assessment.

CORPORATE PERFORMANCE AND THE EXTERNAL BUSINESS ENVIRONMENT

For the 2000 fiscal year, all strategic goals and targets are on schedule. BC Assessment is performing very well, and will continue to improve. Indeed, it has become one of the models against which assessment organizations in other jurisdictions, nationally and internationally, are compared. In terms of financial performance, BC Assessment ended the year favorable to budget.

The external business environment for BC Assessment is essentially the residential and commercial real estate market. This market has been relatively stable over the past year, with small pockets of activity. The number of properties increased again, while staff levels have remained constant for field operations. The levies have been frozen since 1994. Levies are calculated retaining the tax freeze so that the average property owner in each property class would pay no more levies in 2000 than they did in 1999 before new construction.

Highlights of key results of operations and changes in financial conditions for 2000 compared to 1999 are as follows:

- BC Assessment experienced an excess of revenue over expenditure for the year 2000 of $4.1 million compared to $2.0 million in 1999.
- BC Assessment had a slight increase in approved staff (Full Time Equivalents or FTEs) from 685 in 1999 to 689 in 2000.
- BC Assessment continues to actively support the Provincial Government's Youth Employment Initiative by hiring approximately 70 students in both 1999 and 2000.
- Properties (parcels) in British Columbia increased in 2001 to 1,639,111 from 1,623,284 in 2000.
- The average property owner in each property class paid no more levies in 2000 than they did in 1999 (before new construction).

Key Financial and Operating Statistics

Statement of Revenue and Expenditure (thousands of dollars)	YEAR ENDED DECEMBER 31				
	2000	1999	1998	1997	1996
Revenue:					
Tax levies	61,267	60,366	59,376	58,201	56,876
Interest and other revenue	3,982	4,276	3,139	2,977	2,831
	65,249	64,642	62,515	61,178	59,707
Expenditures	61,163	62,644	61,797	59,943	57,884
Excess of revenue over expenditures	4,086	1,998	718	1,235	1,823
Approved number of regular FTE	689	685	685	685	685

MAJOR CHALLENGES AND OPPORTUNITIES FACING BC ASSESSMENT

The major challenges and opportunities facing BC Assessment can be categorized under the following topics.

EXPECTATIONS OF QUALITY: BC Assessment's customers have increasing expectations of service and roll quality. Local governments and taxpayers are placing higher demands on the assessment roll with regard to uniformity, consistency, and accuracy.

EXPECTATIONS OF GOVERNMENT: The provincial government has increasing expectations and requirements of Crown corporations. These include financial participation in the funding of other government activities, oversight of strategic planning and performance monitoring, a new directive regarding standards of conduct, and advancement of broader social and economic development objectives. In meeting these expectations, BC Assessment must ensure that the unbiased independence of the assessment function is maintained.

COMPLEXITY: Appraisal for property tax purposes is becoming more complex. Factors such as the increased role of tax agents, the heightened importance of uniformity and consistency, and increased use of technology all contribute to increased job complexity.

STAFF DEMOGRAPHICS: Over the next ten years, a large number of staff will be retiring. This creates several important challenges and opportunities and highlights the need for succession planning.

STAFF EXPECTATIONS: To a much greater extent than in the past, employees expect more flexible and meaningful work, to take responsibility for the outcome of their work, and growth in learning.

CONTINUED GROWTH: The number of properties that must be assessed annually will continue to grow. BC Assessment is committed to accurately valuing these new properties without increasing staffing levels.

FIRST NATIONS ISSUES: As the First Nations of British Columbia move toward self-governance, property taxation will become increasingly important to them. This creates opportunities for BC Assessment to strengthen and expand its relations with First Nations by providing them with consultation, assessment, and related products and services.

TECHNOLOGY: Technological change is continuing to impact the assessment field. It is creating opportunities for greater efficiency as well as challenges in terms of capital costs and staff training.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
STATEMENT OF MANAGEMENT RESPONSIBILITY

The financial statements of the British Columbia Assessment Authority ("BC Assessment") for the year ended December 31, 2000 have been prepared by management in accordance with generally accepted accounting principles consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements. The Auditor General of British Columbia, the external auditor of BC Assessment, has performed an independent audit of the financial statements of BC Assessment in accordance with generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and his opinion on the financial statements of BC Assessment.

Management depends upon a system of internal accounting controls that provides reasonable assurance, on a cost-effective basis, that the financial information is reliable and accurate. This system, which includes formal written policies and procedures, is monitored through the performance of an internal audit program. Internal audit independently evaluates the effectiveness of internal controls and reports findings to management.

The Audit and Finance Committee of the Board meets periodically with management and the external auditors.

Doug Rundell
Chief Executive Officer
Assessment Commissioner

Connie Fair
Executive Director
Corporate Services

Report of the Auditor General of British Columbia

To the Board of Directors of the
British Columbia Assessment Authority, and

To the Minister of Municipal Affairs,
Province of British Columbia:

I have audited the balance sheet of the *British Columbia Assessment Authority* as at December 31, 2000 and the statements of revenue, expenditure and equity and cash flows for the year then ended. These financial statements are the responsibility of BC Assessment's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *British Columbia Assessment Authority* as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

Victoria, British Columbia
March 9, 2001

Wayne Strelioff, CA
Auditor General

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Balance Sheet

December 31, 2000, with comparative figures for 1999

(thousands of dollars)	2000	1999
Assets		
Current assets:		
Cash and cash equivalents	$ 13,408	$ 9,743
Accounts receivable	1,746	2,080
Prepaid expenses	138	132
	15,292	11,955
Capital assets (note 2)	6,790	5,826
	$ 22,082	$ 17,781
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 6,127	$ 5,979
Current portion of long-term liabilities	187	202
	6,314	6,181
Long-term liabilities:		
Employees' past benefits	176	230
Employees' future benefits (note 3)	1,609	1,473
	1,785	1,703
Equity:		
Equity in capital assets	6,790	5,826
Equity from operations - appropriated	6,100	-
Equity from operations - unappropriated	1,093	4,071
	13,983	9,897
Contingent liability (note 12)		
	$ 22,082	$ 17,781

See accompanying notes to financial statements.

On Behalf of the Board:

Director

Director

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Revenue and Expenditure

Year ended December 31, 2000, with comparative figures for 1999

(thousands of dollars)	2000	1999
Revenue:		
Tax levies	$ 61,267	$ 60,366
Other (note 5)	3,271	3,744
Interest	711	532
	65,249	64,642
Expenditure:		
Salaries and benefits (note 6)	41,557	41,698
Office accommodation	5,047	4,570
Professional and special services (note 7)	4,681	5,403
Office	3,001	3,490
Travel	2,583	2,668
Appeal costs (note 8)	1,950	2,705
Interest (note 10)	279	241
Board of Directors' expenses	171	151
Amortization	1,894	1,718
	61,163	62,644
Excess of revenue over expenditure for the year	$ 4,086	$ 1,998

See accompanying notes to financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Equity

Year ended December 31, 2000, with comparative figures for 1999

(thousands of dollars)	Capital assets	Appropriated	Unappropriated	2000	1999
Equity, beginning of year:					
As previously reported	$ 5,826	$ -	$ 5,702	$ 11,528	$ 9,594
Prior year's adjustment to reflect accounting change (note 3)	-	-	(1,631)	(1,631)	(1,695)
As restated	5,826	-	4,071	9,897	7,899
Excess of revenue over expenditure for the year	(1,901)	-	5,987	4,086	1,998
Appropriation for future technology expenditures (note 4)	-	6,100	(6,100)	-	-
Transfers to equity in capital assets	2,865	-	(2,865)	-	-
Equity, end of the year	$ 6,790	$ 6,100	$ 1,093	$ 13,983	$ 9,897

See accompanying notes to financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Cash Flows

Year ended December 31, 2000, with comparative figures for 1999

(thousands of dollars)	2000	1999
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditure for the year	$ 4,086	$ 1,998
Items not involving cash:		
Amortization	1,894	1,718
Loss on disposal of capital assets	7	134
Decrease in employees' past benefits	(71)	(38)
Increase (decrease) in employees' future benefits	138	(64)
Changes in non-cash operating working capital	476	(677)
	6,530	3,071
Investing:		
Acquisition of capital assets	(2,952)	(3,149)
Proceeds on disposal of capital assets	87	42
	(2,865)	(3,107)
Increase (decrease) in cash position	3,665	(36)
Cash and cash equivalents, beginning of year	9,743	9,779
Cash and cash equivalents, end of year	$ 13,408	$ 9,743

BC Assessment considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents.

Major components of cash and cash equivalents are as follows:

(thousands of dollars)	2000	1999
Cash	$ 94	$ -
Short-term investments	13,314	9,806
Bank overdraft	-	(63)
Cash and cash equivalents, end of year	$ 13,408	$ 9,743

See accompanying notes to financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2000

The British Columbia Assessment Authority ("BC Assessment") was established in 1974 by the Province of British Columbia with the enactment of the Assessment Authority Act. The purpose of BC Assessment is to establish and maintain assessments that are uniform in the whole of the province in accordance with the Assessment Act.

1. Significant accounting policies:

The financial statements of BC Assessment have been prepared by management in accordance with generally accepted accounting principles. The following is a summary of the significant accounting policies used in the preparation of these financial statements.

(a) Revenue:

BC Assessment, by by-law and subject to the prior approval of the Lieutenant Governor in Council, each year imposes and levies a tax upon all taxable property in the province, except on the property of the British Columbia Hydro and Power Authority. A copy of this by-law is forwarded to the Tax Collector of every municipality in the province and to the Surveyor of Taxes in order that the taxes so levied will be placed on the tax rolls. The proceeds of the taxes so levied and collected by the municipalities or the Minister of Finance and Corporate Relations constitute BC Assessment's tax levies revenue.

Tax levy revenue is recognized when taxes are collected by the municipality or the Minister of Finance and Corporate Relations, at which time they become due to BC Assessment.

(b) Capital assets:

Capital assets are carried at cost less accumulated amortization. Amortization is determined at rates which will reduce original cost to estimated residual value over the useful life of the asset. The annual rates used to compute amortization on a straight-line basis are as follows:

Asset	Rate
Buildings	5%
Furniture and equipment	20%
Motor vehicles	20%

(c) Short-term investments:

Short-term investments are recorded at the lower of cost and market value.

1. Significant accounting policies (continued):

(d) Employees' past benefits:

At the time of the formation of the British Columbia Assessment Authority, BC Assessment negotiated an agreement with those designated employees whose previous working agreements contained clauses that called for payment of certain benefits upon death, retirement or termination of employment. The benefits under the agreement are recognized as a long-term liability, with an amount equal to payments due within the immediate twelve months following the statement date segregated and recognized as a current liability. Adjustments to the liability resulting from changes in salary rates are charged to the current year. Payments of benefits are treated as a reduction of the liability.

(e) Employee' benefit plans:

BC Assessment has defined benefit pension plans and defined retirement benefits plans for substantially all of its employees. In addition, BC Assessment has defined health care plans for substantially all employees and retirees.

BC Assessment and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The Pension Corporation of the Province of British Columbia administers the Plan, including the payment of pension benefits on behalf of employers and employees to whom the Act applies. The Plan is a defined benefit pension plan. The most recent actuarial valuation (March 31, 1999) has determined the Plan is in a surplus position. All employee future benefits funded through the Public Service Pension Plan are accounted for prospectively.

Outside of the Public Service Pension Plan, BC Assessment annually accrues the future obligation under the defined retirement benefit plan as the employees render the services necessary to earn the benefit. The cost of the defined retirement benefit is calculated by management using an estimate of salary escalation and expected retirement ages. The recorded liability represents these estimated future costs discounted to a present value using market interest rates applicable to BC Assessment.

(f) Measurement uncertainty:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the year. Items requiring the use of significant estimates include certain revenues and various expenditure accruals. Actual results could differ from these estimates.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2000

2. Capital assets:

(thousands of dollars)	Cost	Accumulated amortization	2000 Net book value	1999 Net book value
Land	$ 446	$ -	$ 446	$ 446
Buildings	2,519	462	2,057	1,616
Furniture and equipment	13,286	9,409	3,877	3,158
Motor vehicles	1,577	1,167	410	606
	$ 17,828	$ 11,038	$ 6,790	$ 5,826

3. Employees' future benefits:

BC Assessment has a defined retirement benefit plan. Effective for years ending on or after December 31, 2000, generally accepted accounting principles require the accrual of all employee future benefits in accordance with the Canadian Institute of Chartered Accountants handbook section 3461 "Employee Future Benefits". This change in accounting policy has been adopted in the current year and applied retroactively by BC Assessment. The retroactive adoption results in a restatement of opening equity at January 1, 1999 and 2000 of $1,695,000 and $1,631,000, respectively. Salary and benefits expenditures for 1999 and 2000 reflect employee future benefit expenditures of $106,000 and $114,000 representing a decrease of expenditures under the previous policy of $64,000 and $44,000.

4. Equity from operations - appropriated:

BC Assessment has budgeted significant expenditures towards technology and system upgrades over the next three years to December 31, 2003. The Board of Directors has established that the funding for these costs is to be provided from accumulated equity from operations. The appropriated amount of $6,100,000 has been separately classified as a component of equity to reflect this direction by the Board.

5. Other revenue:

(thousands of dollars)	2000	1999
Marketing services	$ 2,843	$ 2,557
Receipts on demutualization of insurance and benefits carrier	-	1,069
Land titles plans on-line	332	204
Miscellaneous	103	48
Loss on disposal of capital assets	(7)	(134)
	$ 3,271	$ 3,744

6. Salaries and benefits:

(thousands of dollars)	2000	1999
Salaries	$ 35,635	$ 35,380
Benefits	7,359	7,436
Public Service Pension Plan rebate	(1,437)	(1,118)
	$ 41,557	$ 41,698

The Public Service Pension Plan rebate reflects the distribution from the surplus position attributable to BC Assessment based on actuarial valuations.

7. Professional and special services:

(thousands of dollars)	2000	1999
Legal and expert witness fees	$ 972	$ 1,147
Education	585	624
Service bureau	1,787	2,230
Consulting	437	497
Other	900	905
	$ 4,681	$ 5,403

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2000

8. Appeal costs:

Beginning April 1, 1997, section 17 of the Assessment Authority Act requires BC Assessment to pay the amount required and requisitioned by the Minister of Municipal Affairs to cover the anticipated costs of appeals to the Property Assessment Review Panel and the Property Assessment Appeal Board. Under subsection 17(6), the amount requisitioned is paid to the government in quarterly instalments. Subsection 17(7) allows for the final instalment of the government's fiscal year to be adjusted to reflect the actual costs to the government of the appeals. For 2000, the actual costs of the appeals are not expected to differ materially from the amounts requisitioned.

9. Annual tax levies:

Under subsection 17(2) of the Assessment Authority Act, BC Assessment's annual tax levies are to be at rates sufficient to maintain the operating fund. The operating fund is defined under subsections 17(1) and 17(8) as the total amount required to meet the annual operating and capital expenses of BC Assessment and the costs of complaints and appeals to the property assessment review panels and the property assessment appeal board.

Based on the foregoing, there was levied on all taxable property in the province, except on the property of the British Columbia Hydro and Power Authority, a tax on each class of property at a rate as set out below:

Class of property prescribed under subsection 19(14) of the Assessment Act (BC Reg. 438/81)	Rate of tax applied against each $1,000 of net taxable value of property	
	2000	1999
1 - Residential	.1271	.1247
2 - Utilities	.6136	.5936
3 - Unmanaged Forest Land	.4544	.3392
4 - Major Industry	.7452	.7145
5 - Light Industry	.3702	.3753
6 - Business and Other	.3591	.3604
7 - Managed Forest Land	.4204	.3604
8 - Recreational Property/Non-profit Organization	.1435	.1409
9 - Farm	.1724	.1721

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2000

10. Financing:

Under subsection 20(5) of the Assessment Authority Act, BC Assessment may, "until receipt of the proceeds of the taxes...borrow an amount not exceeding the proceeds of the taxes...and the loan must be repaid from the proceeds of the taxes".

The maximum borrowings by BC Assessment during 2000 were $23,062,518 (1999: $23,787,600).

11. Commitments:

BC Assessment is committed to make payments under operating leases and contracts as follows:

(thousands of dollars)	Premises leases	Other contracts
2001	$ 3,814	$ 1,610
2002	2,915	1,400
2003	2,557	1,400
2004	2,285	-
2005-2011	5,014	-
	$ 16,585	$ 4,410

12. Contingent liability:

BC Assessment entered into two licensing agreements for the provision of assessment information.

The agreements include a provision requiring BC Assessment to refund fees in the event that the corporation is required to terminate the Agreement or modify it because of Legislative Change, such that the assessment information can no longer be provided substantially as contemplated by the Agreement. Should this article be invoked, BC Assessment will be required to provide a refund of fees paid, in accordance with the agreement. At December 31, 2000 the amount of the potential refund is $261,417 (1999 - nil).

13. Related party transactions:

In the normal course of operations, BC Assessment entered into transactions with the province and certain Crown corporations, predominantly at prevailing market prices and credit terms.

The Ministry of Finance and Corporate Relations acts as fiscal agent of BC Assessment. Through this agreement, BC Assessment received interest revenue of $649,149 (1999: $450,221) on temporary investments, and paid interest charges of $252,776 (1999: $236,160).

13. Related party transactions (continued):

The statement of revenue, expenditure and equity includes the following transactions with related parties:

(thousands of dollars)	2000	1999
Other revenue	$ 2,295	$ 2,007
Payments for:		
Ministry of Municipal Affairs - appeal costs	1,950	2,705
Computing services	561	468
Postal services	157	170
Other services	250	243

Balances at December 31 with related parties were:

(thousands of dollars)	2000	1999
Short-term investments	$ 13,314	$ 9,806
Accounts receivable	96	184
Accounts payable	177	124

Statement of Corporate Governance Practices

Within BC Assessment, the Board of Directors provides policy direction and performance review, while valuation and operational matters are the responsibility of the Chief Executive Officer and Assessment Commissioner.

The Board of Directors adopted a new committee structure in 1998 to enhance their own operations and efficiency. There are now three Board Committees that engage in regular and detailed review of policies, issues, and corporate finances, and make recommendations to the full Board, where decisions are made. Board Committees are as follows:

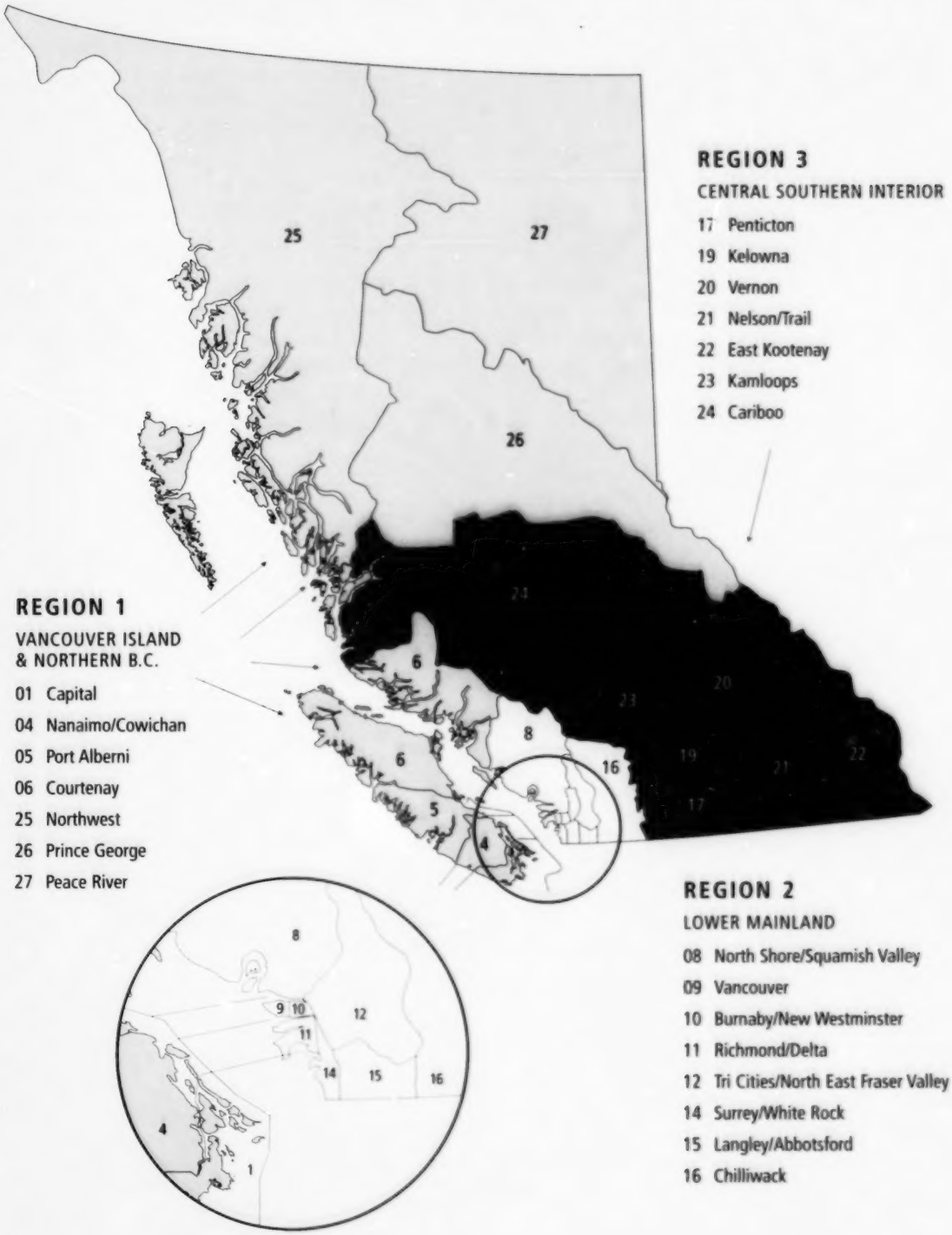
The Human Resources and Education Committee deals with all human resources, training, and education matters, and acts as a reference group during Collective Agreement negotiations. The members of this committee are: Mike Thompson (Chair), Joy Lin Salzberg (Vice Chair), Manga Basi (Member), and Ken McRae (Member).

The Policy, Planning and Service Audit Committee works closely with staff to develop the Five-Year Performance Plan and reviews BC Assessment's annual priorities. This committee also monitors corporate performance in relation to corporate goals and priorities and the legislative mandate. The members of this committee are: Terri Barge (Chair), Deanna Hamilton (Vice Chair), John Cheetham (Member), and Linda Rowan (Member).

The Audit and Finance Committee deals with all matters related to financial policies and the annual budget. This committee scrutinizes BC Assessment's books on a regular basis and compares actual financial performance with budgets and forecasts. The members of this committee are: Joan Stephens (Chair), Eric Charman (Vice Chair), and Rose Calderon (Member).

A fourth committee is the **Board Executive Committee**, which consists of the Board Chair and the Chair of each Committee. The members of this committee are: David Driscoll (Chair), Joan Stephens (Member), Mike Thompson (Member), and Terri Barge (Member).

British Columbia Assessment Areas



REGION 1

VANCOUVER ISLAND & NORTHERN B.C.

01 Capital
04 Nanaimo/Cowichan
05 Port Alberni
06 Courtenay
25 Northwest
26 Prince George
27 Peace River

REGION 2

LOWER MAINLAND

08 North Shore/Squamish Valley
09 Vancouver
10 Burnaby/New Westminster
11 Richmond/Delta
12 Tri Cities/North East Fraser Valley
14 Surrey/White Rock
15 Langley/Abbotsford
16 Chilliwack

REGION 3

CENTRAL SOUTHERN INTERIOR

17 Penticton
19 Kelowna
20 Vernon
21 Nelson/Trail
22 East Kootenay
23 Kamloops
24 Cariboo

Assessment Offices

	Office	Area Assessor	Telephone
01	Capital	Dave Hitchcock	(250) 479-7131
04	Nanaimo/Cowichan	Peter Bretherton	(250) 753-6621
05	Port Alberni	Bill Barnes	(250) 724-3271
06	Courtenay	Bruce Turner	(250) 338-6511
08	North Shore/ Squamish Valley	Calvin Smyth	(604) 984-9751
09	Vancouver	David Highfield	(604) 739-8588
10	Burnaby/ New Westminster	Robert Metcalf	(604) 294-6441
11	Richmond/Delta	Larry Quayle	(604) 946-1341
12	TriCities/North East Fraser Valley	Allan Didrikson	(604) 465-7343
14	Surrey/White Rock	Don Hubbard	(604) 584-1321
15	Langley/Abbotsford	Wes Colbert	(604) 850-5900
16	Chilliwack	John Yannacopoulos	(604) 792-3385
17	Penticton	Dave Heidt	(250) 492-5740
19	Kelowna	Joe Farkas	(250) 763-8300
20	Vernon	Jim Inverarity	(250) 545-2171
21	Nelson/Trail	John Collins	(250) 352-5581
22	East Kootenay	Jim Norton	(250) 426-8901
23	Kamloops	Bruce Tasaka	(250) 376-6281
24	Cariboo/ Quesnel	Mark Wooldridge	(250) 392-2996 (250) 992-7214
25	Northwest/ Prince Rupert	Tom Protheroe	(250) 638-1116 (250) 624-9607
26	Prince George	Val Drebet	(250) 562-7215
27	Peace River	Brian Hawkins	(250) 782-8515

Directory

Doug Rundell

John Robinson

Connie Fair

Ed Norman

Stewart Wells

Head Office

1537 Hillside Avenue
Victoria, BC V8T 4Y2
Telephone: (250) 595-6211
Fax: (250) 595-6222
www.bcassessment.bc.ca

Doug Rundell –	Chief Executive Officer and Assessment Commissioner
Kevin Burr –	Corporate Secretary & Executive Assistant to the CEO/Assessment Commissioner
Nancy Consaul –	Executive Director, Community Relations and Marketing
• Nigel Atkin –	Director of Communications
• Brian White –	Manager of Marketing
Connie Fair –	Executive Director, Corporate Services
• Steve Foster –	Development Manager (Acting Director of Information Services)
• Laurie McAmmond –	Manager of Human Resources
• Maria Pavan –	Manager, Financial Services
Ed Norman –	Executive Director, Assessment (Valuation Support – Region 1)
• Bill Greig –	Manager, Cost Section
• Catherine MacDonald –	Manager, Legal and Legislative Affairs
• Gregg Paton –	Manager, Farm, Forest & Cost
John Robinson –	Executive Director, Assessment (Valuation Policy – Region 2)
• John Peebles –	Manager, Valuation Policy
Stewart Wells –	Executive Director, Assessment (Standards – Region 3)
• Bill Levis –	Manager of Standards

BRITISH COLUMBIA CATALOGUING IN PUBLICATION DATA

British Columbia Assessment Authority

- Annual Report. — St. (1974); 1975-Annual.
- Title from cover
- First report covers period, July 2 to Dec. 31, 1974
- ISSN 0383-5049 = Annual Report - British Columbia Assessment Authority

1. British Columbia Assessment Authority - Periodicals.
2. Real property tax - British Columbia - Periodicals.
3. Tax Assessment - British Columbia - Periodicals

- 1. Title.
- HJ4293.B7B74
- 354.7110072'421'05
- Rev. Dec. 1999